



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

DEC 21 2012

Thomas P. Hanley

Post Falls, ID 83854

RE: MUR 6557

Dear Mr. Hanley:

On December 18, 2012, the Federal Election Commission reviewed the allegations in your complaint dated April 17, 2012, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe the Kootenai County Reagan Republicans, the Reagan Republican Victory Fund, the Strategy Group, Inc., Jeff Ward, Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green violated 2 U.S.C. §§ 434 and 434. The Commission also determined to dismiss as matter of prosecutorial discretion any violations of 2 U.S.C. §§ 434(c) and 441d by the Reagan Republican Victory Fund and closed the file. At the same time, the Commission cautioned the Reagan Republican Victory Fund to take steps to ensure that its conduct is in compliance with the Act and the Commission's regulations. The Factual and Legal Analyses, which more fully explain the basis for the Commission's decisions, are enclosed.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009).

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

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If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Anthony Herman
General Counsel



BY: Kathleen M. Guith
Deputy Associate General Counsel

Enclosures
Factual and Legal Analyses

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Kootenai County Reagan Republicans

MUR 6557

I. INTRODUCTION

This matter was generated by Complaints filed with the Federal Election Commission by John Erickson, Scott Grunsted, and Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Kootenai County Reagan Republicans. According to the three Complaints, which are nearly identical, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategy Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaints allege that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaints, Responses, and other available information, it does not appear that KCRR was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that the Kootenai County Reagan Republicans violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

According to KCRR's website, it is located in Post Falls, Idaho. See www.reaganrepublicans.net. Ron Lahr is KCRR's president, Jeff Ward is KCRR's treasurer,

1 and Keith Hutcheson is a KCRR board member. *See*
2 <http://www.reaganrepublicans.net/KCRRBoard.html>. KCRR's articles of incorporation state that
3 it is organized as an unincorporated nonprofit social welfare public benefit organization under
4 Idaho state law and within the meaning of 26 U.S.C. § 501(c)(4). *See*
5 <http://www.reaganrepublicans.net/Articles.html>. KCRR describes its mission as supporting the
6 Republican Party and the principles of limited government and a free enterprise economy
7 espoused by President Ronald Reagan. *See* <http://www.reaganrepublicans.net/mission.html>.
8 Reagan Republican Victory Fund ("RRVF" is an Idaho state political committee that is also
9 located in Post Falls, Idaho. Its disclosure reports filed with the Idaho Secretary of State list
10 Lora Gervais as RRVF's chair and Jeff Ward as RRVF's treasurer.¹ *See*
11 [http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund](http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf).
12 [pdf](http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf).

13 It is unclear how KCRR and RRVF are connected. The groups share a mailing address at
14 P.O. Box 1274 in Post Falls, Idaho, and appear to have at least some overlap in officers, as noted
15 above. Additionally, the disclaimer on the mailer at issue in this matter states that it is paid for
16 by RRVF but the website address listed, www.reaganrepublicans.net, directs the reader to the
17 KCRR website.² Compl., Ex. 1.

18 The Complaints allege that KCRR and the individual respondents "working together . . .
19 spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to
20 voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.

¹ Ms. Gervais is also listed as KCRR's Vice President of Finance. *See*
<http://www.reaganrepublicans.net/KCRRBoard.html>.

² A website titled "The Idaho Federation of Reagan Republicans" includes a link to donate to RRVF. *See*
<http://www.reaganrepublicans.info/>. Clicking on the section of this page for "Chapters" immediately redirects
visitors to the KCRR website.

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1 The Complaints attach the mailer at issue, which states that “[the] Kootenai County Reagan
2 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
3 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
4 state, and local offices, and for each candidate includes the office sought, a photograph, and a
5 short statement about the candidate. The mailer includes one candidate for federal office,
6 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
7 from Idaho’s First Congressional District. *Id.* The disclaimer at the bottom of the mailer states
8 that it is “Proudly Paid for by the Reagan Republican Victory Fund
9 www.reaganrepublicans.net.” *Id.*

10 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
11 president, and Jeff Ward, as KCRR’s treasurer — which includes information about both KCRR
12 and RRVF. *See* KCRR Resp. The KCRR Response explains that RRVF paid for the
13 endorsement mailer at issue and is identified in its disclaimer. KCRR Resp. ¶ 1. The Response
14 asserts that although KCRR issued the endorsements, it did not pay for or “add materially to” the
15 mailer and has and will not make any expenditures for federal candidates in 2012. *Id.* ¶ 2. The
16 KCRR Response identifies the Strategy Group, Inc. as the vendor that designed, printed, and
17 mailed a portion of the mailers and identifies Keith Hutcheson, Barry McHugh, Todd Tondee,
18 and Dan Green as candidates for Kootenai County offices who had no participation in the mailer
19 other than being listed as endorsed candidates.³ *Id.* ¶ 3-4.

20 The KCRR Response contends that RRVF is not a political committee as defined in the
21 Act because it has not and will not spend over \$1,000 in connection with federal elections during

³ The Idaho Secretary of State’s website lists the Strategy Group, Inc. as a general business corporation with Ron Lahr as its registered agent.

1 this calendar year. *Id.* ¶ 5. It asserts that Jeff Ward contacted the Commission's Information
2 Division to confirm that the federal share of the expenditure for the mailer would be the single
3 federal candidate's pro rata share of the total cost. *Id.* ¶ 7-8. The KCRR Response explains that
4 the total cost for the design, printing, and postage of the mailer was \$7,517.26 as of May 5, 2012,
5 making the federal candidate's pro rata share \$587.26.⁴ KCRR states that because the federal
6 share fell below the \$1,000 threshold for reporting as a political committee, RRVF did not file
7 any reports with the Commission and only reported the expenditures to the Idaho Secretary of
8 State. *Id.* ¶ 9-10.

9 **B. Legal Analysis**

10 The Complaints generally allege that KCRR spent over \$1,000 for a federal candidate
11 without "filing with" the Commission. Compl. at 1. Under the Act, groups that are political
12 committees are required to register with the Commission and publicly report all of their receipts
13 and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a "political committee" as any
14 committee, association, or other group of persons that receives "contributions" or makes
15 "expenditures" for the purpose of influencing a Federal election which aggregate in excess of
16 \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term "contribution" is defined to
17 include "any gift, subscription, loan, advance, or deposit of money or anything of value made by
18 any person for the purpose of influencing any election for Federal office." 2 U.S.C.
19 § 431(8)(A)(i). The term "expenditure" is defined to include "any purchase, payment,
20 distribution, loan, advance, deposit, or gift of money or anything of value, made by any person

⁴ The KCRR Response states that the pro rata share for the federal candidate is 1/13 of the total cost of the mailer because the mailer listed 13 endorsed candidates. KCRR Resp. at ¶ 8. But the mailer attached to the Complaints endorses 14 candidates, one of whom is a federal candidate. Compl., Ex. 1. Accordingly, it appears that the pro rata share may be 1/14 of the total cost of the mailer, or \$536.95. This potential discrepancy is not material and does not affect the Commission's findings.

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1 for the purpose of influencing any election for Federal office.” 2 U.S.C. § 431(9)(A)(i). An
2 organization will not be considered a “political committee” unless its “major purpose is Federal
3 campaign activity (i.e., the nomination or election of a Federal candidate).” Political Committee
4 Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification).
5 See *Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.*
6 (*“MCFL”*), 479 U.S. 238, 262 (1986).

7 It does not appear that KCRR met the statutory threshold for political committee status by
8 making \$1,000 in expenditures during the 2012 calendar year. According to the KCRR
9 Response, KCRR has not and will not make any expenditures on behalf of federal candidates in
10 2012. KCRR Resp. ¶ 2. The Response is sworn, and the Commission has no contrary
11 information. Accordingly, there is no information that KCRR exceeded the \$1,000 statutory
12 threshold for political committee status. Because the \$1,000 statutory threshold is not met, there
13 is no need to reach whether the major purpose of KCRR is “Federal campaign activity (i.e., the
14 nomination or election of a Federal candidate).” Political Committee Status, 72 Fed. Reg. 5595,
15 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification).

16 Accordingly, the Commission finds no reason to believe that the Kootenai County
17 Reagan Republicans violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the
18 Commission as a political committee.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Reagan Republican Victory Fund

MUR 6557

I. INTRODUCTION

This matter was generated by Complaints filed with the Federal Election Commission by John Erickson, Scott Grunsted, and Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Kootenai County Reagan Republicans. According to the three Complaints, which are nearly identical, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategy Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaints allege that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaints, Responses, and other available information, it does not appear that RRVF was required to register and report with the Commission as a political committee. It does appear, however, that RRVF failed to report its expenditure for the federal candidate's share of the mailer as an independent expenditure and failed to include a complete disclaimer on the mailer. Given the small amount in violation and other mitigating factors, the Commission dismisses the independent expenditure reporting and disclaimer violations as a matter of prosecutorial discretion.

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1 **II. FACTUAL AND LEGAL ANALYSIS**

2 **A. Factual Summary**

3 According to KCRR's its website, it is located in Post Falls, Idaho. *See*
4 www.reaganrepublicans.net. Ron Lahr is KCRR's president, Jeff Ward is KCRR's treasurer,
5 and Keith Hutcheson is a KCRR board member. *See*
6 <http://www.reaganrepublicans.net/KCRRBoard.html>. KCRR's articles of incorporation state
7 that it is organized as an unincorporated nonprofit social welfare public benefit organization
8 under Idaho state law and within the meaning of 26 U.S.C. § 501(c)(4). *See*
9 <http://www.reaganrepublicans.net/Articles.html>. KCRR describes its mission as supporting the
10 Republican Party and the principles of limited government and a free enterprise economy
11 espoused by President Ronald Reagan. *See* <http://www.reaganrepublicans.net/mission.html>.
12 RRVF is an Idaho state political committee that is also located in Post Falls, Idaho. Its
13 disclosure reports filed with the Idaho Secretary of State list Lora Gervais as RRVF's chair and
14 Jeff Ward as RRVF's treasurer.¹ *See*
15 [http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund](http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf).
16 pdf.

17 It is unclear how KCRR and RRVF are connected. The groups share a mailing address at
18 P.O. Box 1274 in Post Falls, Idaho, and appear to have at least some overlap in officers, as noted
19 above. Additionally, the disclaimer on the mailer at issue in this matter states that it is paid for

¹ Ms. Gervais is also listed as KCRR's Vice President of Finance. *See*
<http://www.reaganrepublicans.net/KCRRBoard.html>.

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1 by RRVF but the website address listed, www.reaganrepublicans.net, directs the reader to the
2 KCRR website.² Compl., Ex. 1.

3 The Complaints allege that KCRR and the individual Respondents “working together . . .
4 spent over \$1,000 for a federal candidate without filing with the FEC” when they sent a mailer to
5 voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.

6 The Complaints attach the mailer at issue, which states that “[the] Kootenai County Reagan
7 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
8 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
9 state, and local offices, and for each candidate includes the office sought, a photograph, and a
10 short statement about the candidate. The mailer includes one candidate for federal office,
11 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
12 from Idaho’s First Congressional District. *Id.* The disclaimer at the bottom of the mailer states
13 that it is “Proudly Paid for by the Reagan Republican Victory Fund
14 www.reaganrepublicans.net.” *Id.*

15 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
16 president, and Jeff Ward, as KCRR’s treasurer³ — which includes information about both KCRR
17 and RRVF.⁴ See KCRR Resp. The KCRR Response explains that RRVF paid for the
18 endorsement mailer at issue and is identified in its disclaimer. KCRR Resp. ¶ 1. The Response
19 asserts that although KCRR issued the endorsements, it did not pay for or “add materially to” the

² A website titled “The Idaho Federation of Reagan Republicans” includes a link to donate to RRVF. See <http://www.reaganrepublicans.info/>. Clicking on the section of this page for “Chapters” immediately redirects visitors to the KCRR website.

³ Although the KCRR response is sworn to by Ward as Treasurer of KCRR, Ward is also RRVF’s treasurer.

⁴ RRVF was notified of the Complaints but did not submit a response.

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1 mailer and has and will not make any expenditures for federal candidates in 2012. *Id.* ¶ 2. The
2 KCRR Response identifies the Strategery Group, Inc. as the vendor that designed, printed, and
3 mailed a portion of the mailers and identifies Keith Hutcheson, Barry McHugh, Todd Tondee,
4 and Dan Green as candidates for Kootenai County offices who had no participation in the mailer
5 other than being listed as endorsed candidates.⁵ *Id.* ¶ 3-4.

6 The KCRR Response contends that RRVF is not a political committee as defined in the
7 Act because it has not and will not spend over \$1,000 in connection with federal elections during
8 this calendar year. *Id.* ¶ 5. It asserts that Jeff Ward contacted the Commission's Information
9 Division to confirm that the federal share of the expenditure for the mailer would be the single
10 federal candidate's pro rata share of the total cost. *Id.* ¶ 7-8. The KCRR Response explains that
11 the total cost for the design, printing, and postage of the mailer was \$7,517.26 as of May 5, 2012,
12 making the federal candidate's pro rata share \$587.26.⁶ KCRR states that because the federal
13 share fell below the \$1,000 threshold for reporting as a political committee, RRVF did not file
14 any reports with the Commission and only reported the expenditures to the Idaho Secretary of
15 State. *Id.* ¶ 9-10.

16 **B. Legal Analysis**

17 The Complaints generally allege that RRVF spent over \$1,000 for a federal candidate
18 without "filing with" the Commission. Compl. at 1.

⁵ The Idaho Secretary of State's website lists the Strategery Group, Inc. as a general business corporation with Ron Lahr as its registered agent.

⁶ The KCRR Response states that the pro rata share for the federal candidate is 1/13 of the total cost of the mailer because the mailer listed 13 endorsed candidates. KCRR Resp. at ¶ 8. But the mailer attached to the Complaints endorses 14 candidates, one of whom is a federal candidate. Compl., Ex. 1. Accordingly, it appears that the pro rata share may be 1/14 of the total cost of the mailer, or \$536.95. This potential discrepancy is not material and does not affect the Commission's findings.

1 1. Political Committee Status

2 Under the Act, groups that are political committees are required to register with the
3 Commission and publicly report all of their receipts and disbursements. 2 U.S.C. §§ 433, 434.
4 The Act defines a "political committee" as any committee, association, or other group of persons
5 that receives "contributions" or makes "expenditures" for the purpose of influencing a Federal
6 election which aggregate in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The
7 term "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of
8 money or anything of value made by any person for the purpose of influencing any election for
9 Federal office." 2 U.S.C. § 431(8)(A)(i). The term "expenditure" is defined to include "any
10 purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value,
11 made by any person for the purpose of influencing any election for Federal office." 2 U.S.C.
12 § 431(9)(A)(i). An organization will not be considered a "political committee" unless its "major
13 purpose is Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate)."
14 Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation
15 and Justification). *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens*
16 *for Life, Inc. ("MCFL")*, 479 U.S. 238, 262 (1986).

17 It does not appear that RRVF met the statutory threshold for political committee status by
18 making \$1,000 in expenditures during the 2012 calendar year. According to the KCRR
19 Response, RRVF has not and will not spend over \$1,000 in connection with federal elections in
20 2012. KCRR Resp. ¶ 5. The Response is sworn, and the Commission has no contrary
21 information. The federal share of the total cost of the mailer was at most \$587.26, and the
22 Complaints do not allege, nor did the Commission identify any publicly available information
23 showing, that RRVF made additional expenditures or received any contributions. The

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1 Commission examined RRVF's disclosure reports filed with the Idaho Secretary of State but was
2 unable to determine whether disbursements or receipts reported therein are "contributions" or
3 "expenditures" as defined under the Act. *See, e.g.,*
4 [http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.](http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf)
5 [pdf](http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf). Accordingly, there is no information that RRVF exceeded the \$1,000 statutory threshold for
6 political committee status. Because the \$1,000 statutory threshold is not met, there is no need to
7 reach whether the major purpose of KCRB is "Federal campaign activity (i.e., the nomination or
8 election of a Federal candidate)." Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7,
9 2007) (Supplemental Explanation and Justification).

10 2. Independent Expenditure Reporting

11 Although there is no evidence that RRVF was required to register and report with the
12 Commission as a political committee, RRVF should have reported the cost of the federal share of
13 the mailer as an independent expenditure. The Act requires every person other than a political
14 committee who makes independent expenditures of over \$250 in a calendar year to file an
15 independent expenditure report.⁷ 2 U.S.C. § 434(c); 11 C.F.R. § 109.10(b). The Act defines an
16 independent expenditure as any expenditure that expressly advocates the election or defeat of a
17 clearly identified candidate and is not made in concert with a candidate, a political party
18 committee, or their respective agents. 2 U.S.C. § 431(17).

19 The mailer at issue is an independent expenditure that expressly advocates the election of
20 Congressman Labrador. *See* 2 U.S.C. § 431(17); 11 C.F.R. § 100.16. The mailer urges the
21 reader to "vote by mail or at the polls" and states that it "is very important that we vote to

⁷ 24-hour independent expenditure reporting is required for expenditures aggregating \$1,000 or more after the twentieth day but more than 24 hours before an election. 2 U.S.C. § 434(g); 11 C.F.R. § 109.10(d). The federal candidate's share of RRVF's expenditure was less than \$1,000, so 24-hour reporting was not required.

1 nominate the strongest conservative Republican candidates” accompanied with a list of
2 “conservative common-sense candidates” endorsed by KCRR, including Labrador. *See*
3 11 C.F.R. § 100.22(a); *MCFL*, 479 U.S. at 249. There is no allegation that the mailer was
4 coordinated with Raul Labrador or his committee and KCRR’s Response asserts that none of
5 RRVF’s expenditures were coordinated with federal candidates. KCRR Resp. ¶ 6.
6 Thus, it appears that RRVF violated 2 U.S.C. § 434(c) by failing to report the federal share of the
7 expenditure for the mailer as an independent expenditure. Due to the small amount in violation,
8 however, the Commission dismisses this violation as a matter of prosecutorial discretion. *See*
9 *Heckler v. Chaney*, 470 U.S. 821 (1985).

10 3. Disclaimer

11 Because RRVF’s mailer expressly advocated the election of a federal candidate, it may
12 have required an appropriate disclaimer. The Act requires all public communications that
13 expressly advocate the election or defeat of a clearly identified candidate to contain disclaimers.
14 2 U.S.C. § 441d; 11 C.F.R. § 110.11(a)(2). The definition of public communication includes a
15 mass mailing, which is defined as 500 pieces of mail of an identical or substantially similar
16 nature within any 30-day period. 11 C.F.R. §§ 100.26, 100.27. Communications that are not
17 authorized by a candidate are required to clearly state the name and permanent street address,
18 telephone number, or World Wide Web address of the person who paid for the communications,
19 and to state that the communications were not authorized by any candidate or the candidate’s
20 committee. 2 U.S.C. § 441d(a)(3).

21 The Commission, however, does not have information regarding precisely how many
22 mailers RRVF distributed, nor a time frame in which the mailers were distributed. Even if more
23 than 500 mailers were disseminated within a 30-day period, thereby triggering the disclaimer

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1 requirement, the mailer did include a partial disclaimer and identified only one federal candidate
2 out of 14 candidates listed. Accordingly, and considering the small amount in violation, the
3 Commission exercises its prosecutorial discretion to dismiss this alleged violation. *See Heckler*
4 *v. Chaney*, 470 U.S. 821 (1985).

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The Strategery Group, Inc.

MUR 6557

I. INTRODUCTION

This matter was generated by Complaints filed with the Federal Election Commission by John Erickson, Scott Grunsted, and Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by the Strategery Group, Inc. According to the three Complaints, which are nearly identical, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategery Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaints allege that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaints, Responses, and other available information, it does not appear that the Strategery Group, Inc. was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that the Strategery Group, Inc. violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

The Complaints allege that KCRR and the individual respondents "working together . . . spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.

1 The Complaints attach the mailer at issue, which states that “[the] Kootenai County Regan
2 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
3 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
4 state, and local offices, and for each candidate includes the office sought, a photograph, and a
5 short statement about the candidate. The mailer includes one candidate for federal office,
6 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
7 from Idaho’s First Congressional District. *Id.* The disclaimer at the bottom of the mailer states
8 that it is “Proudly Paid for by the Reagan Republican Victory Fund
9 www.reaganrepublicans.net.” *Id.*

10 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
11 president, and Jeff Ward, as KCRR’s treasurer. The KCRR Response identifies the Strategy
12 Group, Inc. as the vendor that designed, printed, and mailed a portion of the mailers.¹

13 **B. Legal Analysis**

14 The Complaints generally allege that the Strategy Group, Inc. spent over \$1,000 for a
15 federal candidate without “filing with” the Commission. Compl. at 1. Under the Act, groups
16 that are political committees are required to register with the Commission and publicly report all
17 of their receipts and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a “political
18 committee” as any committee, association, or other group of persons that receives
19 “contributions” or makes “expenditures” for the purpose of influencing a Federal election which
20 aggregate in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term

¹ The Idaho Secretary of State’s website lists the Strategy Group, Inc. as a general business corporation with Ron Lahr as its registered agent. The Strategy Group, Inc. was notified of the Complaints but did not submit a response.

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1 "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or
2 anything of value made by any person for the purpose of influencing any election for Federal
3 office." 2 U.S.C. § 431(8)(A)(i). The term "expenditure" is defined to include "any purchase,
4 payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any
5 person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i).

6 An organization will not be considered a "political committee" unless its "major purpose is
7 Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate)." Political
8 Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and
9 Justification). *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for*
10 *Life, Inc. ("MCFL")*, 479 U.S. 238, 262 (1986).

11 There is no evidence that the Strategy Group, Inc. had liability under sections 433 and
12 434 of the Act. Accordingly, the Commission finds no reason to believe that the Strategy
13 Group, Inc. violated 2 U.S.C. §§ 433 and 434.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Jeff Ward

MUR 6557

I. INTRODUCTION

This matter was generated by Complaints filed with the Federal Election Commission by John Erickson, Scott Grunsted, and Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Jeff Ward. According to the three Complaints, which are nearly identical, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategery Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaints allege that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaints, Responses, and other available information, it does not appear that Jeff Ward was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that Jeff Ward violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

According to KCCR's website, it is located in Post Falls, Idaho. *See* www.reaganrepublicans.net. Jeff Ward is KCRR's treasurer. *See* <http://www.reaganrepublicans.net/KCRRBoard.html>. RRVF is an Idaho state political

committee that is also located in Post Falls, Idaho. Its disclosure reports filed with the Idaho Secretary of State list Jeff Ward as RRVF's treasurer. *See* <http://www.sos.idaho.gov/elect/Finance/2012/PrePrimary/Party/ReaganRepublicansVictoryFund.pdf>.

The Complaints allege that KCRR and the individual Respondents "working together . . . spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1. The Complaints attach the mailer at issue, which states that "[the] Kootenai County Reagan Republicans wholeheartedly endorse the following conservative common-sense candidates in the May 15 [2012] Republican Primary." Compl., Ex. 1. The mailer lists 14 candidates for federal, state, and local offices, and for each candidate includes the office sought, a photograph, and a short statement about the candidate. The mailer includes one candidate for federal office, Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives from Idaho's First Congressional District. *Id.*

KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR's president, and Jeff Ward, as KCRR's treasurer. It asserts that Jeff Ward contacted the Commission's Information Division to confirm that the federal share of the expenditure for the mailer would be the single federal candidate's pro rata share of the total cost.

B. Legal Analysis

The Complaints generally allege that Jeff Ward spent over \$1,000 for a federal candidate without "filing with" the Commission. Compl. at 1. Under the Act, groups that are political committees are required to register with the Commission and publicly report all of their receipts and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a "political committee" as any

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committee, association, or other group of persons that receives “contributions” or makes “expenditures” for the purpose of influencing a Federal election which aggregate in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term “contribution” is defined to include “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.” 2 U.S.C. § 431(8)(A)(i). The term “expenditure” is defined to include “any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office.” 2 U.S.C. § 431(9)(A)(i). An organization will not be considered a “political committee” unless its “major purpose is Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate).” Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification). *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.* (“*MCFL*”), 479 U.S. 238, 262 (1986).

There is no evidence that Jeff Ward had liability under sections 433 and 434 of the Act. Accordingly, the Commission finds no reason to believe that Jeff Ward violated 2 U.S.C. §§ 433 and 434.

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1 **FEDERAL ELECTION COMMISSION**

2
3 **FACTUAL AND LEGAL ANALYSIS**

4
5 **RESPONDENT:** Keith Hutcheson

MUR 6557

6
7 **I. INTRODUCTION**

8 This matter was generated by Complaints filed with the Federal Election Commission by
9 John Erickson, Scott Grunsted, and Thomas P. Hanley, alleging violations of the Federal
10 Election Campaign Act of 1971, as amended (the "Act"), by Barry McHugh. According to the
11 three Complaints, which are nearly identical, the Kootenai County Reagan Republicans
12 ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategy Group, Inc., and four candidates for
13 local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and
14 Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state
15 candidates. The Complaints allege that the Respondents violated the Act because they spent
16 over \$1,000 for a federal candidate without "filing with" the Commission.

17 Upon review of the Complaints, Responses, and other available information, it does not
18 appear that Keith Hutcheson was required to register and report with the Commission as a
19 political committee. Accordingly, the Commission finds no reason to believe that Keith
20 Hutcheson violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the
21 Commission as a political committee.

22 **II. FACTUAL AND LEGAL ANALYSIS**

23 **A. Factual Summary**

24 According to KCRR's website, it is located in Post Falls, Idaho. See
25 www.reaganrepublicans.net. Keith Hutcheson is a KCRR board member. See
26 <http://www.reaganrepublicans.net/KCRRBoard.html>.

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1 The Complaints allege that KCRR and the individual Respondents “working together . . .
2 spent over \$1,000 for a federal candidate without filing with the FEC” when they sent a mailer to
3 voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.
4 The Complaints attach the mailer at issue, which states that “[the] Kootenai County Regan
5 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
6 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
7 state, and local offices, and for each candidate includes the office sought, a photograph, and a
8 short statement about the candidate. The mailer includes one candidate for federal office,
9 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
10 from Idaho’s First Congressional District. *Id.* Keith Hutcheson is listed as an endorsed
11 candidate for Kootenai County Sheriff. *Id.*

12 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
13 president, and Jeff Ward, as KCRR’s treasurer. The KCRR Response identifies Keith Hutcheson
14 as a candidate for Kootenai County office who had no participation in the mailer other than being
15 listed as an endorsed candidate.

16 Keith Hutcheson also submitted an individual Response. Hutcheson, a candidate for
17 Kootenai County Sheriff, asserts that he was asked to accept the endorsement of KCRR, was
18 shown the mailer, and approved his picture and what was written about him on the draft mailer.
19 Hutcheson Resp. at 1. KCRR explained to him that the mailer would be disseminated to the
20 group’s supporters in the county. *Id.* Hutcheson claims that he reported an in-kind contribution
21 to his campaign as required by state law, but asserts that he and his campaign have not made
22 contributions to any current federal or state candidates. *Id.*

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B. Legal Analysis

The Complaints generally allege that Keith Hutcheson spent over \$1,000 for a federal candidate without "filing with" the Commission. Compl. at 1. Under the Act, groups that are political committees are required to register with the Commission and publicly report all of their receipts and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a "political committee" as any committee, association, or other group of persons that receives "contributions" or makes "expenditures" for the purpose of influencing a Federal election which aggregate in excess of \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term "contribution" is defined to include "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i). The term "expenditure" is defined to include "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i). An organization will not be considered a "political committee" unless its "major purpose is Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate)." Political Committee Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification). *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.* ("*MCFL*"), 479 U.S. 238, 262 (1986).

There is no evidence that Keith Hutcheson had liability under sections 433 and 434 of the Act. Accordingly, the Commission finds no reason to believe that Keith Hutcheson violated 2 U.S.C. §§ 433 and 434.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Barry McHugh

MUR 6557

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission by Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Barry McHugh. According to the Complaint, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategy Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaint alleges that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaint, Responses, and other available information, it does not appear that Barry McHugh was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that Barry McHugh violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

The Complaint alleges that KCRR and the individual Respondents "working together . . . spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.

1 The Complaint attaches the mailer at issue, which states that “[the] Kootenai County Regan
2 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
3 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
4 state, and local offices, and for each candidate includes the office sought, a photograph, and a
5 short statement about the candidate. The mailer includes one candidate for federal office,
6 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
7 from Idaho’s First Congressional District. *Id.* Barry McHugh is listed as an endorsed candidate
8 for Kootenai County Prosecuting Attorney. *Id.*

9 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
10 president, and Jeff Ward, as KCRR’s treasurer. The KCRR Response identifies Barry McHugh
11 as a candidate for Kootenai County office who had no participation in the mailer other than being
12 listed as an endorsed candidate.

13 Barry McHugh also submitted an individual Response. McHugh, a candidate for
14 Kootenai County Prosecuting Attorney, asserts that he did not have any involvement in
15 designing the mailer and did not contribute funds directly for the production of the mailer,
16 although he may have contributed indirectly by paying a KCRR membership fee and attending a
17 fundraising dinner. McHugh Resp. at 1. He states that he will disclose his share of the cost of
18 the mailer as an in-kind contribution from KCRR. *Id.*

19 **B. Legal Analysis**

20 The Complaint generally alleges that Barry McHugh spent over \$1,000 for a federal
21 candidate without “filing with” the Commission. Compl. at 1. Under the Act, groups that are
22 political committees are required to register with the Commission and publicly report all of their
23 receipts and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a “political committee” as

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1 any committee, association, or other group of persons that receives "contributions" or makes
2 "expenditures" for the purpose of influencing a Federal election which aggregate in excess of
3 \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term "contribution" is defined to
4 include "any gift, subscription, loan, advance, or deposit of money or anything of value made by
5 any person for the purpose of influencing any election for Federal office." 2 U.S.C.
6 § 431(8)(A)(i). The term "expenditure" is defined to include "any purchase, payment,
7 distribution, loan, advance, deposit, or gift of money or anything of value, made by any person
8 for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i). An
9 organization will not be considered a "political committee" unless its "major purpose is Federal
10 campaign activity (*i.e.*, the nomination or election of a Federal candidate)." Political Committee
11 Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification).
12 *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.*
13 (*"MCFL"*), 479 U.S. 238, 262 (1986).

14 There is no evidence that Barry McHugh had liability under sections 433 and 434 of the
15 Act. Accordingly, the Commission finds no reason to believe that Barry McHugh violated
16 2 U.S.C. §§ 433 and 434.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Todd Tondee

MUR 6557

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission by Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Todd Tondee. According to the Complaint, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategery Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaint alleges that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaint, Responses, and other available information, it does not appear that Todd Tondee was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that Todd Tondee violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

The Complaint alleges that KCRR and the individual Respondents "working together . . . spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1.

1 The Complaint attaches the mailer at issue, which states that “[the] Kootenai County Regan
2 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
3 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
4 state, and local offices, and for each candidate includes the office sought, a photograph, and a
5 short statement about the candidate. The mailer includes one candidate for federal office,
6 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
7 from Idaho’s First Congressional District. *Id.* Todd Tondée is listed as an endorsed candidate
8 for Kootenai County Commissioner District 1. *Id.*

9 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
10 president, and Jeff Ward, as KCRR’s treasurer. The KCRR Response identifies Todd Tondée as
11 a candidate for Kootenai County office who had no participation in the mailer other than being
12 listed as an endorsed candidate.

13 Todd Tondée also submitted an individual Response. Tondée, a candidate for Kootenai
14 County Commissioner, asserts that while he is a member of KCRR, he was not involved in the
15 endorsements or the production of the mailer. Tondée Resp. at 1.

16 **B. Legal Analysis**

17 The Complaint generally alleges that Todd Tondée spent over \$1,000 for a federal
18 candidate without “filing with” the Commission. Compl. at 1. Under the Act, groups that are
19 political committees are required to register with the Commission and publicly report all of their
20 receipts and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a “political committee” as
21 any committee, association, or other group of persons that receives “contributions” or makes
22 “expenditures” for the purpose of influencing a Federal election which aggregate in excess of
23 \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term “contribution” is defined to

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1 include "any gift, subscription, loan, advance, or deposit of money or anything of value made by
2 any person for the purpose of influencing any election for Federal office." 2 U.S.C.

3 § 431(8)(A)(i). The term "expenditure" is defined to include "any purchase, payment,
4 distribution, loan, advance, deposit, or gift of money or anything of value, made by any person
5 for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(9)(A)(i). An
6 organization will not be considered a "political committee" unless its "major purpose is Federal
7 campaign activity (*i.e.*, the nomination or election of a Federal candidate)." Political Committee
8 Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification).
9 *See Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.*
10 (*"MCFL"*), 479 U.S. 238, 262 (1986).

11 There is no evidence that Todd Tondee had liability under sections 433 and 434 of the
12 Act. Accordingly, the Commission finds no reason to believe that Todd Tondee violated
13 2 U.S.C. §§ 433 and 434.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Dan Green

MUR 6557

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission by Thomas P. Hanley, alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), by Dan Green. According to the Complaint, the Kootenai County Reagan Republicans ("KCRR"), Jeff Ward (KCRR's treasurer), the Strategy Group, Inc., and four candidates for local office in Kootenai County, Idaho — Keith Hutcheson, Barry McHugh, Todd Tondee, and Dan Green — disseminated a mailer to voters in Kootenai County that endorsed federal and state candidates. The Complaint alleges that the Respondents violated the Act because they spent over \$1,000 for a federal candidate without "filing with" the Commission.

Upon review of the Complaint, Responses, and other available information, it does not appear that Dan Green was required to register and report with the Commission as a political committee. Accordingly, the Commission finds no reason to believe that Dan Green violated 2 U.S.C. §§ 433 and 434 by failing to register and report with the Commission as a political committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Summary

The Complaint alleges that KCRR and the individual Respondents "working together . . . spent over \$1,000 for a federal candidate without filing with the FEC" when they sent a mailer to voters in Kootenai County that endorsed state candidates and a federal candidate. Compl. at 1. The Complaint attaches the mailer at issue, which states that "[the] Kootenai County Regan

1 Republicans wholeheartedly endorse the following conservative common-sense candidates in the
2 May 15 [2012] Republican Primary.” Compl., Ex. 1. The mailer lists 14 candidates for federal,
3 state, and local offices, and for each candidate includes the office sought, a photograph, and a
4 short statement about the candidate. The mailer includes one candidate for federal office,
5 Congressman Raul Labrador, the incumbent candidate for the U.S. House of Representatives
6 from Idaho’s First Congressional District. *Id.* Dan Green is listed as an endorsed candidate for
7 Kootenai County Commissioner District 3. *Id.*

8 KCRR submitted a Response — signed and sworn to by both Ron Lahr, as KCRR’s
9 president, and Jeff Ward, as KCRR’s treasurer. The KCRR Response identifies Dan Green as a
10 candidate for Kootenai County office who had no participation in the mailer other than being
11 listed as an endorsed candidate.

12 Dan Green also submitted an individual Response. Green, who was a candidate for
13 Kootenai County Commissioner, responded that he had no involvement in the mailer.
14 E-mail from Dan Green to Jeff Jordan, Supervising Attorney, FEC (Oct. 19, 2012, 12:52 EST).

15 **B. Legal Analysis**

16 The Complaint generally alleges that Dan Green spent over \$1,000 for a federal candidate
17 without “filing with” the Commission. Compl. at 1. Under the Act, groups that are political
18 committees are required to register with the Commission and publicly report all of their receipts
19 and disbursements. 2 U.S.C. §§ 433, 434. The Act defines a “political committee” as any
20 committee, association, or other group of persons that receives “contributions” or makes
21 “expenditures” for the purpose of influencing a Federal election which aggregate in excess of
22 \$1,000 during a calendar year. 2 U.S.C. § 431(4)(A). The term “contribution” is defined to
23 include “any gift, subscription, loan, advance, or deposit of money or anything of value made by

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any person for the purpose of influencing any election for Federal office.” 2 U.S.C.
§ 431(8)(A)(i). The term “expenditure” is defined to include “any purchase, payment,
distribution, loan, advance, deposit, or gift of money or anything of value, made by any person
for the purpose of influencing any election for Federal office.” 2 U.S.C. § 431(9)(A)(i). An
organization will not be considered a “political committee” unless its “major purpose is Federal
campaign activity (*i.e.*, the nomination or election of a Federal candidate).” Political Committee
Status, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007) (Supplemental Explanation and Justification).
See Buckley v. Valeo, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.*
(“*MCFL*”), 479 U.S. 238, 262 (1986).

There is no evidence that Dan Green had liability under sections 433 and 434 of the Act.
Accordingly, the Commission finds no reason to believe that Dan Green violated 2 U.S.C.
§§ 433 and 434.

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